

Ministry of Agriculture

Individual Cattle Feeder Loan Guarantee
Provincial Assurance Fund



Annual Report for 2013-14

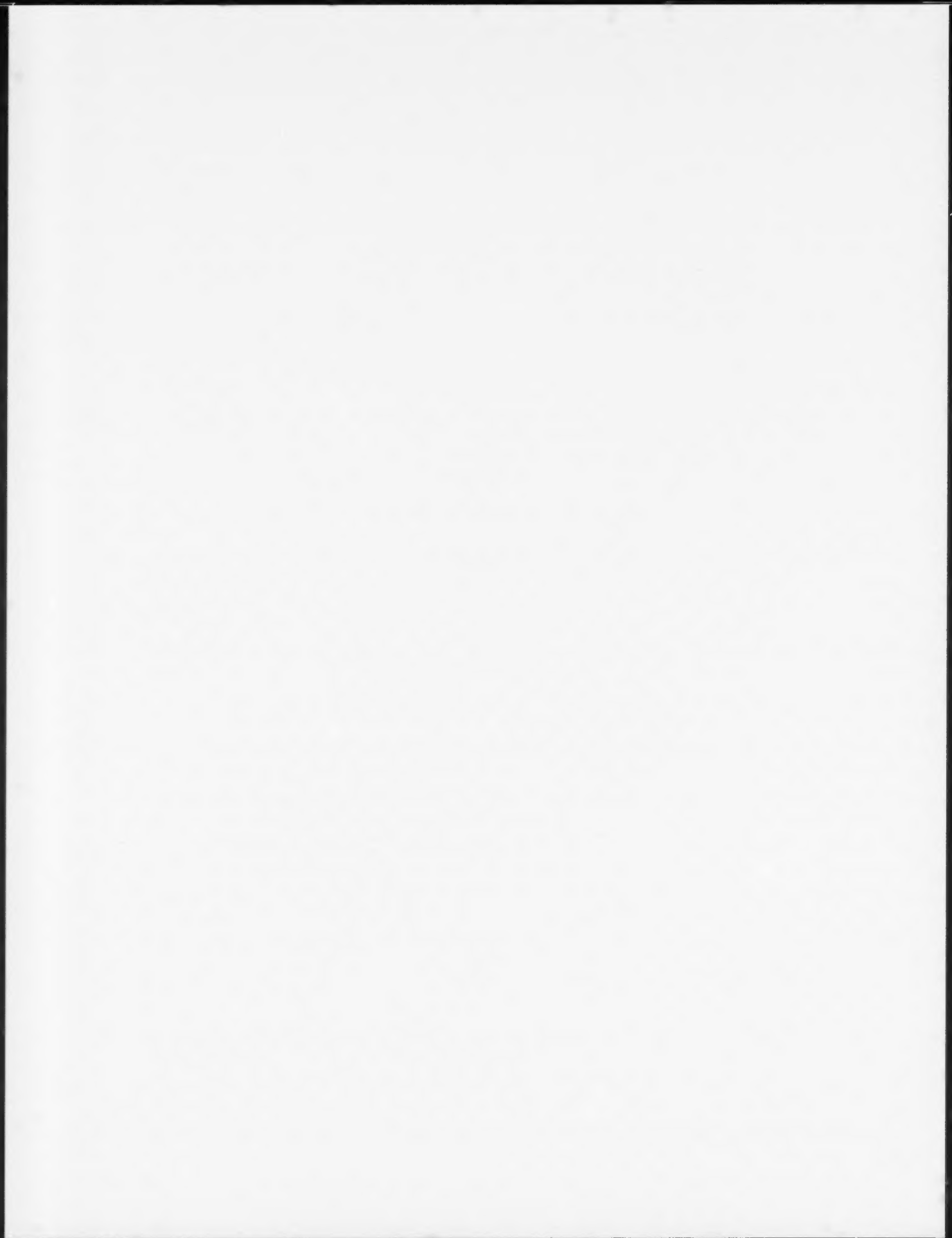


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Letters of Transmittal



June 23, 2014

Her Honour, the Honourable Vaughn Solomon Schofield
Lieutenant Governor of Saskatchewan

May it please Your Honour:

As the Minister of Saskatchewan Agriculture, it is my pleasure to submit the Annual Report for the Individual Cattle Feeder Loan Guarantee Provincial Assurance Fund for the year ending March 31, 2014.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'L. Stewart'.

Lyle Stewart
Minister of Agriculture

Individual Cattle Feeder Option Livestock Loan Guarantee Program Provincial Assurance Fund

Management Report

A total of \$3 million in loans were approved under *The Individual Cattle Feeder Loan Guarantee Regulations*. Outstanding loans at March 31, 2014 was \$0 with \$0 in the Provincial Assurance Fund.

Introduction

This is the seventh annual report of the Individual Cattle Feeder Livestock Loan Guarantee Provincial Assurance Fund.

The fund was established under the Individual Cattle Feeder Loan Guarantee Program which provided producers with a financing option for the purchase of feeder cattle, up to a maximum loan of \$3 million.

On March 27, 2014, the Individual Cattle Feeder Loan Guarantee Regulations under *The Farm Financial Stability Act* were repealed. The Fund was wound down and the remaining assets were returned to the General Revenue Fund.

Management's Responsibility for the Financial Statements

The accompanying financial statements of the Individual Cattle Feeder Loan Guarantee Provincial Assurance Fund have been prepared by management in accordance with Canadian public sector accounting standards, using management's best estimates and judgments where appropriate.

The fund's management is responsible for the reliability and integrity of these financial statements and other information in the Annual Report. Financial information in the Annual Report is consistent with that provided in these financial statements.

In discharging its responsibility for the reliability and integrity of these financial statements, management maintains financial and management control systems and practices designed to provide reasonable assurance that transactions are authorized, assets are safeguarded and proper records are maintained.

The Provincial Auditor has audited these financial statements and conducted a review of internal accounting policies and procedures to the extent required to enable them to express an opinion on these financial statements.



Raymond Arscott, CA
Executive Director
Corporate Services Branch
Ministry of Agriculture
June 3, 2014



Alanna Koch
Deputy Minister
Ministry of Agriculture
June 3, 2014

INDEPENDENT AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

I have audited the accompanying financial statements of the Individual Cattle Feeder Loan Guarantee Provincial Assurance Fund, which comprise the statement of financial position as at March 27, 2014 and the statement of revenues, expenses, and net financial assets for the period from April 1, 2013 to March 27, 2014.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards for Treasury Board's approval, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

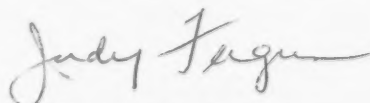
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Individual Cattle Feeder Loan Guarantee Provincial Assurance Fund as at March 27, 2014 and the results of its operations, changes in its net financial assets, and its cash flows for the period April 1, 2013 to March 27, 2014 in accordance with Canadian public sector accounting standards.

Regina, Saskatchewan
April 22, 2014



Judy Ferguson, FCA
Acting Provincial Auditor

**Individual Cattle Feeder Loan Guarantee
Provincial Assurance Fund
FINANCIAL STATEMENTS**

March 31, 2014

Statement 1

INDIVIDUAL CATTLE FEEDER LOAN GUARANTEE
PROVINCIAL ASSURANCE FUND
STATEMENT OF FINANCIAL POSITION
As at

March 27, 2014 March 31, 2013

Financial Assets:

Due from General Revenue Fund (Note 3)	\$	---	\$	2,727
Accrued interest receivable		<u>---</u>		<u>7</u>
Net financial assets (Statement 2)	\$	<u>---</u>	\$	<u>2,734</u>

(See accompanying notes to the financial statements)

Statement 2

INDIVIDUAL CATTLE FEEDER LOAN GUARANTEE
PROVINCIAL ASSURANCE FUND
STATEMENT OF REVENUES, EXPENSES AND NET FINANCIAL ASSETS
For the period ending

	<u>March 27, 2014</u>	<u>March 31, 2013</u>
Revenues		
Participant fees	---	500
Interest revenue	<u>16</u>	<u>26</u>
Total Revenue	<u>16</u>	<u>526</u>
Expenses		
Refunds and remissions	<u>2,001</u>	<u>---</u>
Total Expenses	<u>2,001</u>	<u>---</u>
(Deficit) Surplus for the period	<u>(1,985)</u>	<u>526</u>
Net financial assets, beginning of the period	2,734	2,208
Transfer to General Revenue Fund	<u>(749)</u>	<u>---</u>
Net financial assets, end of the period – to Statement 1	<u>\$ ---</u>	<u>\$ 2,734</u>

(See accompanying notes to the financial statements)

**INDIVIDUAL CATTLE FEEDER LOAN GUARANTEE
PROVINCIAL ASSURANCE FUND
NOTES TO THE FINANCIAL STATEMENTS**

1. Authority and Definition

The Individual Cattle Feeder Loan Guarantee Provincial Assurance Fund (Fund) was established effective October 3, 2003 pursuant to subsection 13(1) of *The Individual Cattle Feeder Loan Guarantee Regulations* under *The Farm Financial Stability Act*. The Fund commenced operations on November 20, 2006. The purpose of the Fund is to share the risk of Individual Cattle Feeder Loan Guarantees by collecting fees from producers who access the program and to use the revenue to offset loan guarantee payouts. Each time a producer receives an advance pursuant to a guaranteed loan, the producer deposits a refundable amount equal to 0.5% of that advance in the Fund.

On March 27, 2014, *The Individual Cattle Feeder Loan Guarantee Regulations* under *The Farm Financial Stability Act* were repealed. The Fund was wound up and the remaining assets were returned to the General Revenue Fund.

2. Significant Accounting Policies

These financial statements are prepared in accordance with Canadian public sector accounting standards appropriate for other government organizations. The following accounting policies are considered significant:

a) Revenues:

Participant fees are recognized as revenue when an Individual Cattle Feeder Loan is guaranteed by the Minister of Finance and funds have been advanced to a producer pursuant to the guaranteed loan.

Interest income is recognized as revenue when earned.

b) Refunds:

Within 90 days after receiving a written request for a refund from a producer, the minister shall refund to the producer any amount remaining in that producer's portion of the provincial assurance fund if that producer does not

have any advances outstanding and if that producer does not have any advances in default.

3. Due From General Revenue Fund

The Fund's money is held in the General Revenue Fund. Interest is calculated and paid by the General Revenue Fund on a quarterly basis using the Government's thirty-day borrowing rate and the Fund's daily balance. The Government's average thirty-day borrowing rate for 2013-14 was 1.02% (2012-13 was 1.09%).

4. Net Financial Assets

The net assets represent fees received from participants and interest income in the program and are available to offset the cost of any loan guarantee payouts made under section 63.3 of *The Farm Financial Stability Act*.

5. Statement of Cash Flows

A cash flow statement has not been provided as the cash flow information is readily apparent from the other financial statements.

6. Related Party Transactions

All Government of Saskatchewan agencies such as ministries, corporations, boards and commissions are related to the Fund since they are all controlled by the Government. These financial statements include transactions with other Government agencies.

The Fund earned interest income of \$16 during 2013-14 (2012-13 was \$26) on monies deposited in the General Revenue Fund. With the repeal of the regulations all remaining funds have been returned to the General Revenue Fund. At March 27, 2014, the Fund had monies deposited in the General Revenue Fund totalling \$0 (March 31, 2013 was \$2,727).

The Fund has not been charged with any administrative costs and no provision for such costs is reflected in these statements. These costs are borne by the Ministry of Agriculture.